



## Department Description

The Risk Management Department manages the City's self-insured Workers' Compensation Programs; coordinates public liability and loss control measures intended to forecast and reduce the City's exposure to risks; administers employee health and safety programs, employee benefits contracts, and programs including employee savings plans, the Long-Term Disability Plan, and the Employee Assistance Program (EAP).

The Department's mission is:

*To effectively prevent, control, and minimize the City's financial risk while providing optimum services to the City's employees and the public through the centralized administration of healthcare, safety, loss control, employee benefit, and other risk management programs*

## Goals and Objectives

Goals and objectives have been reprinted here as they were adopted in the Fiscal Year 2010 budget. They will be revisited during Fiscal Year 2012.

### ***Goal 1: Maintain good stewardship over City finances***

In order for the City to operate in the most efficient and effective manner possible, the Department must serve as a good steward of the City's finances. It must promote cost effective strategies and continue to improve accountability within the Department. The Department will move toward accomplishing this goal by focusing on the following objectives.

- Meet reserve policy targets
- Deliver services in a cost-effective manner

# Risk Management

## ***Goal 2: Reduce risk and loss exposure***

In the past, the City focused on reacting to issues that arose. It is the Department's goal to reduce risk and loss exposure and create a more proactive culture within the City. The Department will move toward accomplishing this goal by focusing on the following objectives.

- Promote and encourage behaviors that minimize loss
- Promote the importance of employee safety
- Identify and monitor loss metrics

## ***Goal 3: Promote the highest ethical standards and behavior among employees***

It is the Department's goal to promote and enforce the City's ethical practices to ensure integrity, accountability, service, team support, openness, and diversity in the Department. The Department will move toward enhancing its accomplishment of the goal by focusing on the following objectives.

- Offer training to management and staff on ethical standards
- Management review of standards and ethical practices with staff on a regular basis

# Service Efforts and Accomplishments

A significant accomplishment for Risk Management was the successful transition of existing electronic system interfaces and business processes from the legacy systems to the new SAP Finance, Logistics, and Human Capital Management modules. Although the transition was successfully implemented, reporting requirements and business processes will continue to require changes to fully integrate the new system which presents additional challenges. A continuing challenge for Risk Management is striving to comply with the increasing complex mandates that involve several functions and business processes (e.g. Federal Medicare Set Aside reporting for Workers' Compensation and Public Liability claims and the State-mandated reporting of Workers' Compensation benefits for safety personnel).

The Safety and Environmental Health Division is implementing the Injury Illness Prevention Program. This program defines the safety roles of management, supervisors, and employees and how to adhere to safety standards in order to prevent costly work-related injuries.

The Public Liability Division has replaced a twenty-year old claims management system with a claims' management system software (IVOS) recognized as a best practice in the industry. Another great accomplishment has been the reduction of the City's self-insured retention which demonstrates increased confidence in the City's claims management.

The Benefits/Savings Division implemented a new retirement plan and Retiree Medical Trust for employees hired or re-hired on or after July 1, 2009, as well as replaced its mainframe benefits systems with the SAP benefits module. In addition, the Employee Self Service (ESS) Open Enrollment module was successfully completed on time and under budget. Benefitted employees enrolled during the month of June for their Fiscal Year 2011 benefits via this new web-based service.

The Workers' Compensation Division continues to utilize a State-approved Medical Provider Network (MPN) enhancing cost containment measures which has resulted in reduced pay-go costs and total liability.

# Risk Management

## Department Summary

	FY2010 Budget	FY2011 Adopted	FY2010–2011 Change
Positions	82.25	80.16	(2.09)
Personnel Expenses	\$ 6,748,446	\$ 7,049,317	\$ 300,871
Non-Personnel Expenses	2,351,759	2,616,730	264,971
<b>Total Department Expenses</b>	<b>\$ 9,100,205</b>	<b>\$ 9,666,047</b>	<b>\$ 565,842</b>
<b>Total Department Revenue</b>	<b>\$ 7,895,579</b>	<b>\$ 8,925,849</b>	<b>\$ 1,030,270</b>

## Risk Management Administration Fund

### Department Expenditures

	FY2010 Budget	FY2011 Adopted	FY2010–2011 Change
Risk Management	\$ 9,100,205	\$ 9,666,047	\$ 565,842
<b>Total</b>	<b>\$ 9,100,205</b>	<b>\$ 9,666,047</b>	<b>\$ 565,842</b>

### Department Personnel

	FY2010 Budget	FY2011 Adopted	FY2010–2011 Change
Risk Management	82.25	80.16	(2.09)
<b>Total</b>	<b>82.25</b>	<b>80.16</b>	<b>(2.09)</b>

### Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Adjustment to Contracts and Equipment Outlay</b> Funding allocated according to a zero-based annual review of contract and equipment outlay requirements.	0.00	\$ 150,665	\$ –
<b>Adjustment to Hourly Personnel Funding</b> Funding allocated according to a zero-based annual review of hourly funding requirements.	2.31	93,450	–
<b>Revised Revenue</b> Adjustment to reflect Fiscal Year 2011 revenue projections.	0.00	–	1,030,270
<b>Total</b>	<b>2.31</b>	<b>\$ 244,115</b>	<b>\$ 1,030,270</b>

### Expenditures by Category

	FY2010 Budget	FY2011 Adopted	FY2010–2011 Change
<b>PERSONNEL</b>			
Salaries and Wages	\$ 4,374,601	\$ 4,201,967	\$ (172,634)
Fringe Benefits	2,373,845	2,847,350	473,505
<b>PERSONNEL SUBTOTAL</b>	<b>\$ 6,748,446</b>	<b>\$ 7,049,317</b>	<b>\$ 300,871</b>
<b>NON-PERSONNEL</b>			
Supplies	\$ 76,457	\$ 78,237	\$ 1,780
Contracts	1,322,733	1,405,257	82,524
Information Technology	854,199	999,642	145,443
Energy and Utilities	25,050	24,933	(117)
Other	72,655	107,996	35,341

# Risk Management

## Expenditures by Category (Cont'd)

		FY2010 Budget		FY2011 Adopted		FY2010-2011 Change
Capital Expenditures		665		665		—
<b>NON-PERSONNEL SUBTOTAL</b>	\$	<b>2,351,759</b>	\$	<b>2,616,730</b>	\$	<b>264,971</b>
<b>Total</b>	\$	<b>9,100,205</b>	\$	<b>9,666,047</b>	\$	<b>565,842</b>

## Revenues by Category

		FY2010 Budget		FY2011 Adopted		FY2010-2011 Change
Revenue from Federal Agencies	\$	7,866,177	\$	8,896,447	\$	1,030,270
Charges for Current Services		29,402		29,402		—
<b>Total</b>	\$	<b>7,895,579</b>	\$	<b>8,925,849</b>	\$	<b>1,030,270</b>

## Personnel Expenses

Job Number	Job Class	Job Title / Wages	FY2010 Budget	FY2011 Adopted	Salary Range	Total
20000012	1105	Administrative Aide 1	0.50	<b>0.50</b>	\$36,962 - \$44,533	\$ 21,709
20000119	1218	Associate Management Analyst	1.00	<b>1.00</b>	54,059 - 65,333	59,594
20000188	1256	Benefits Representative 2	9.00	<b>9.00</b>	32,968 - 39,811	342,493
20000277	1340	Claims Aide	9.00	<b>8.00</b>	36,962 - 44,533	293,975
90000277	1340	Claims Aide - Hourly	0.00	<b>2.31</b>	36,962 - 44,533	85,381
20000278	1341	Claims Clerk	12.75	<b>12.75</b>	31,491 - 37,918	462,706
20000285	1343C	Claims Representative 2	0.00	<b>7.00</b>	52,936 - 64,022	430,808
20000283	1343A	Claims Representative 2	0.00	<b>8.50</b>	52,936 - 64,022	463,171
20000282	1343	Claims Representative 2	18.50	<b>3.00</b>	52,936 - 64,022	183,414
20000836	1816	Claims and Insurance Manager	3.00	<b>2.00</b>	73,445 - 88,837	175,009
20000539	1535	Clerical Assistant 2	3.50	<b>1.50</b>	29,931 - 36,067	—
20001168	2214	Deputy Director	1.00	<b>1.00</b>	46,966 - 172,744	117,000
20000382	1406	Employee Assistance Counselor	1.00	<b>0.85</b>	52,936 - 64,022	52,786
20000411	1429	Employee Assistance Program Manager	1.00	<b>0.75</b>	66,768 - 80,891	60,668
20000394	1417	Employee Benefits Specialist 1	2.00	<b>2.00</b>	44,470 - 54,059	96,662
20000924	1876	Executive Secretary	1.00	<b>1.00</b>	43,555 - 52,666	51,349
20000293	1349	Information Systems Analyst 3	1.00	<b>1.00</b>	59,363 - 71,760	71,760
20000834	1811	Rehabilitation Coordinator	1.00	<b>1.00</b>	58,261 - 70,429	58,261
20001122	2157	Risk Management Director	1.00	<b>1.00</b>	31,741 - 173,971	130,224
20000847	1823	Safety Officer	2.00	<b>2.00</b>	57,907 - 69,930	136,364
20000854	1826	Safety Representative 2	4.00	<b>4.00</b>	50,461 - 61,027	224,165
20001042	1972	Safety and Training Manager	1.00	<b>1.00</b>	66,768 - 80,891	78,869
20001016	1937	Senior Claims Representative	3.00	<b>0.00</b>	58,261 - 70,429	—
20001017	1937A	Senior Claims Representative	0.00	<b>3.00</b>	58,261 - 70,429	205,782
20000927	1879	Senior Clerk/Typist	1.00	<b>1.00</b>	36,067 - 43,514	—
20000358	1391A	Supervising Claims Representative	0.00	<b>1.00</b>	64,002 - 77,314	77,314
20000357	1391	Supervising Claims Representative	4.00	<b>0.00</b>	64,002 - 77,314	—
20000359	1391B	Supervising Claims Representative	0.00	<b>3.00</b>	64,002 - 77,314	229,623
20000970	1917	Supervising Management Analyst	1.00	<b>1.00</b>	66,768 - 80,891	78,464
		Bilingual - Regular				10,192

# Risk Management

## Personnel Expenses (Cont'd)

Job Number	Job Class	Job Title / Wages	FY2010 Budget	FY2011 Adopted	Salary Range	Total
Exceptional Performance Pay-Classified						4,224
<b>Salaries and Wages Subtotal</b>			<b>82.25</b>	<b>80.16</b>		<b>\$ 4,201,967</b>
		Employee Offset Savings			\$	65,302
		Flexible Benefits				498,739
		Long-Term Disability				38,579
		Medicare				56,375
		Other Post-Employment Benefits				472,218
		Retiree Medical Trust				99
		Retirement 401 Plan				397
		Retirement ARC				1,302,110
		Retirement DROP				15,200
		Retirement Offset Contribution				108,152
		Risk Management Administration				73,108
		Supplemental Pension Savings Plan				144,415
		Unemployment Insurance				8,960
		Unused Sick Leave				3,362
		Workers' Compensation				60,334
<b>Fringe Benefits Subtotal</b>						<b>\$ 2,847,350</b>
<b>Total Personnel Expenses</b>						<b>\$ 7,049,317</b>

## Budget by Program

	FY2011 Positions	FY2011 Expenditures	FY2011 Revenue
Department Management	9.50	\$ 1,190,634	\$ -
Employee Assistance Program	1.60	241,213	-
Employee Benefits	14.00	1,175,310	29,402
General Administration/Management	2.31	982,675	8,896,447
IT Non-Discretionary	0.00	803,142	-
Public Liability & Loss Recovery	12.00	1,172,849	-
Safety & Environmental	7.00	778,264	-
Special Events	1.00	96,786	-
Workers' Compensation	32.75	3,225,174	-
<b>Total</b>	<b>80.16</b>	<b>\$ 9,666,047</b>	<b>\$ 8,925,849</b>

# Risk Management

## Revenue and Expense Statement (Non-General Fund)

Risk Management Administration Fund	FY2010 Budget*		FY2011 Adopted	
BEGINNING BALANCE AND RESERVES				
Balance from Prior Year	\$	2,004,626	\$	740,198
TOTAL BALANCE AND RESERVES	\$	2,004,626	\$	740,198
REVENUE				
Services to the General Fund	\$	7,866,177	\$	8,896,447
Services to Other Funds		29,402		29,402
TOTAL REVENUE	\$	7,895,579	\$	8,925,849
TOTAL BALANCE, RESERVES, AND REVENUE	\$	9,900,205	\$	9,666,047
OPERATING EXPENSE				
Operating Expense	\$	9,100,205	\$	9,666,047
TOTAL OPERATING EXPENSE	\$	9,100,205	\$	9,666,047
TOTAL EXPENSE	\$	9,100,205	\$	9,666,047
RESERVES				
Contingency Reserve	\$	800,000	\$	—
TOTAL RESERVES	\$	800,000	\$	—
BALANCE	\$	—	\$	—
TOTAL EXPENSE, RESERVES, AND BALANCE	\$	9,900,205	\$	9,666,047

\* At the time of publication, audited financial statements for Fiscal Year 2010 were not available. Therefore, the Fiscal Year 2010 column reflects final budget amounts from the Fiscal Year 2010 Adopted Budget. As such, current fiscal year balances and reserves are estimates of carryover from the previous fiscal year.